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Swine Farm Business Summary

1983

FARROW TO FINISH

PREFACE

The 1983 Nova Scotia Swine Farm Business Summary is a synopsis of the business performance of forty-one (41) Nova Scotia Swine Farms.

The farms used in this summary were not selected on a random sample basis. Instead, farmers volunteered their data for use in the summary. Since this is not a random sample selection of farms, care should be exercised in the use and interpretation of the results shown in the various tables of this summary.

Despite this limitation, farmers can compare their individual results with group average figures for farms with similar characteristics. Such comparison can provide the farm manager with useful information that can be used in management decisions. However, the best information is the farmers own records and comparison of these from one year to the next.

We gratefully acknowledge the co-operation of the forty-one (41) swine producers who participated in this summary.

We further acknowledge the efforts of Fred Works for the computer program; Pamela Crossman who gathered and prepared the data for this summary; and Tracey Mitchell for the secretarial work.

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Section A

Introduction

INTRODUCTION

The Nova Scotia Swine Farm Business Summary is designed to provide bench-mark information that can be used to compare the financial strength and weakness of individual swine farms with similar characteristics. Farm Business Analysis is an important function of the farm manager-operator. When analysing the farm business, you must ask meaningful questions regarding the costs, incomes, efficiencies and capital investment found in your business. This summary is designed to assist you with those questions and to provide you with basic information for comparison purposes. By identifying the strengths of your business and building on these, you should be able to enchance the profit picture of your farm business. By identifying the weaknesses of your business and taking corrective action, the profit picture should also be improved.

Standards of performance and business progress are matters of personal choice and family goal setting. Each farm situation will have a different set of goals or objectives - a different set of values that you feel must be met through the farm business. It is for each of you to identify these and then compare your performance in achieving these objectives.

There are several ways that you can compare your farm performance. These include:

- You can compare your performance this year to that of last year. This perhaps is the best comparison. Have you progressed in reaching the goals you have set for your farm business.

- You can compare your performance with group average data for farms of similar size and general characteristics. This report may be useful in this regard.

- You can compare your performance to that found by research - realizing that the research data was obtained under a special set of conditions.

In 1983, there were a total of 186 swine producers in Nova Scotia. Basic data for this summary was prepared from forty-one (41) of these farms from throughout the Province. These forty-one (41) farms represent 22 percent of the total swine farms in the Province.

In terms of production, the farms included in this summary produced a total of 72,857 hogs. The total for the Province was 225,084 head. Hence, in production terms, farms in this summary comprise 32.4 percent of the total hog production in Nova Scotia in 1983.

The forty-one (41) swine farms in this summary were classified into three (3) groups according to herd size. These groups were (1) 20-99 Sows, (2) 100-199 Sows, and (3) 200 Plus Sows. Sections "B" through "E" provide income, expense and production information on the various groups.

Section B

20-99 SOWS

RECEIPTS

In this size group, receipts from the sale of hogs averaged 88.6 percent of Total Farm Receipts. Of this amount, market hog sales accounted for 92.3 percent, cull sows and boars 3.4 percent, breeding stock sales 1.5 percent, weanling sales 1.5 percent and other hogs 1.3 percent.

Total Farm Receipts amounted to $152,808. on a per farm basis or $2,112. on a per sow basis.

TABLE R-1: RECEIPTS

ITEM	PER FARM	PER SOW
Market Hogs	$124,994.	$ 1,727.
Weanlings	2,087.	29.
Gilts - Breeding Stock	1,937.	27.
Boars - Breeding Stock	105.	1.
Cull Sows	4,150.	57.
Cull Boars	366.	5.
Other Hogs	1,747.	25.
TOTAL HOG SALES	$135,386.	$ 1,871.
Stabilization	$ 5,509.	$ 76.
Subsidies	1,799.	25.
Other Income	10,114.	140.
TOTAL FARM RECEIPTS	$152,808.	$ 2,112.

EXPENSES

Purchased feed was the largest item of cost and accounted for 72.5 percent of Cash Expenses. In dollar terms, feed amounted to $1,375. on a per sow basis.

Feed was followed by non-hog expenses at 4.8 percent, interest on operating loans and hired labor both at 3.8 percent, and utilities at 3.3 percent of Cash Expenses.

TABLE B-2: EXPENSES

ITEM	PER FARM	PER SOW
Feed Purchased	$ 99,533.	$ 1,375.
Swine Purchased	2,190.	30.
Hired Labor	5,200.	72.
Bedding	394.	5.
Vet & Drugs	1,349.	19.
Hog Supplies	1,006.	14.
Marketing Costs	2,268.	31.
Utilities	4,598.	64.
Taxes	750.	10.
Insurance	1,194.	16.
Building Repairs	1,764.	24.
Machinery & Equipment Expense	3,024.	42.
Auto Expenses	659.	9.
Interest - Operating	5,271.	73.
Miscellaneous	1,506.	21.
Other Non-Hog Expenses	6,580.	92.
TOTAL CASH EXPENSES	$137,286.	$ 1,897.

INCOME SUMMARY

Income is one of the key factors studied when analysing a farm business. In this table, two (2) measures of income are summarized.

NET CASH INCOME refers to the difference between Farm Receipts and Cash Expenses. In this size group, this income measure averaged $15,522. per farm or $215. on a per sow basis.

NET FARM INCOME is the difference between Farm Receipts and Cash Expenses with adjustments made for inventory increase, depreciation and interest on long term borrowings. For the farms included in this group, Net Farm Income was $2,232. per farm or $31. on a per sow basis.

TABLE B-3: INCOME SUMMARY

ITEM	PER FARM	PER SOW
Total Farm Receipts	$152,808.	$ 2,112.
Total Cash Expenses	137,286.	1,897.
NET CASH INCOME	$ 15,522.	$ 215.
Plus: Inventory Change	$ 6,565.	$ 91.
Less: Depreciation	11,330.	157.
Interest on Capital Loans	8,525.	118.
NET FARM INCOME	$ 2,232.	$ 31.

AVERAGE COST OF PORK PRODUCTION

The average cost of producing pork for the 20-99 sow group was $0.60 per pound live weight or $0.76 per pound dressed weight.

Note that this cost figure does not include a value for operator labor or interest on equity. Instead it is a measure of the cost at the Net Farm Income level. No amount has been added for what is traditionally called "Opportunity Costs".

TABLE B-4: AVERAGE COST OF PORK PRODUCTION

ITEM		PER FARM	PER SOW
Total Farm Expenses		$157,141.	$ 2,171.
Plus: Inventory Adjustment		-(6,565.)	-(91.)
Less: Cull Sales		4,516.	62.
Other Income		10,114.	139.
TOTAL COSTS		$135,946.	$ 1,879.
Total Pounds of Pork Produced (L.W.)	(lbs)	228,417	3,156
Ave. Cost of Production (L.W.)	($)	0.60	0.60
Ave. Cost of Production (D.W.)	($)	0.76	0.76

COST ANALYSIS

Feed purchased was the largest single item associated with producing pork. This item averaged 63.3 percent of Total Costs in this group. Feed purchased was followed by depreciation at 7.2 percent, interest on capital loans at 5.4 percent, other non-hog expenses at 4.2 percent and interest on operating loans at 3.4 percent.

TABLE B-5: COST ANALYSIS

ITEM	PERCENT OF TOTAL
Feed Purchased	63.3
Swine Purchased	1.4
Hired Labor	3.3
Bedding	0.3
Vet & Drugs	0.9
Hog Supplies	0.6
Marketing Costs	1.4
Utilities	2.9
Taxes	0.5
Insurance	0.8
Building Repairs	1.1
Machinery & Equipment Expense	1.9
Auto Expenses	0.4
Interest - Operating	3.4
Miscellaneous	1.0
Other Non-Hog Expenses	4.2
Interest - Loans	5.4
Depreciation	7.2
TOTAL	100.0

PRODUCTION ANALYSIS

For this size group, the average number of sows per farm was 72, each averaging 2.04 litters of pigs per year.

There was an average of 21.36 pigs born per sow, with 17.45 of these being weaned. Suckling mortality averaged 18.18 percent.

Sales of market hogs accounted for 91.4 percent of hog sales. Feeder hog mortality averaged 4.47 percent for these farms.

TABLE B-6: PRODUCTION ANALYSIS

ITEM	PER FARM	PER SOW
Number of Sows	72	1.00
Number of Boars	4	0.05
Number of Litters	148	2.04
Pigs Born	1,546	21.36
Pigs Born Alive	1,443	19.94
Pigs Weaned	1,263	17.45
Pigs Born per Litter	10.47	-0-
Pigs Born Alive per Litter	9.77	-0-
Pigs Weaned per Litter	8.55	-0-
Suckling Mortality (#)	281	3.88
Suckling Mortality (%)	18.18	-0-
Weanlings Sold	45	0.62
Breeding Stock Sold	10	0.14
Gilts Kept for Replacement	29	0.40
Market Hogs Sold	1,028	14.21
Other Hogs Sold	13	0.18
Inventory Change ±	66	0.91
Purchases	3	0.05
Total Market Hog Equivalents Produced	1,080	14.92
Total Hogs Sold	1,125	16.46
Feeder Hog Mortality (#)	54	0.74
Feeder Hog Mortality (%)	4.47	-0-
Inventory Adjustment ±	22	0.30

PRODUCTION ANALYSIS

Further analysis of the production coefficients indicated that market hogs were sold at an average dressed weight of 165 pounds.

Sow culling rates averaged 35.05 percent in this group, and for each man equivalent of labor available 37 sows were maintained.

TABLE B-7: PRODUCTION ANALYSIS

ITEM		PER FARM
Ave. Weight per Market Hog (D.W.)	(lbs)	165
Ave. Return per Market Hog	($)	121.55
Sow Mortality	(%)	5.02
Cull Rate on Sows	(%)	35.05
Labor Man Equivalents	(#)	1.94
Sows Kept per Man	(#)	37
Total Sales per Man	($)	82,307
Live Hog Produced per Man	(Kgs)	53,620

FEED ANALYSIS

For the farms in this group, feed consumption per hog averaged 1.13 kilograms of creep (pre-starter), 40.15 kilograms of starter, 233.76 kilograms of grower, and 69.55 kilograms of sow-boar feed, for a total consumption of 344.60 kilograms of feed. This gives a feed conversion of 2.85 pounds of feed for each pound of gain.

Total cost of feed per hog was $92.32, and the feed per sow and boar was 988 kilograms.

TABLE B-8: FEED ANALYSIS

ITEM		PER FARM
Creep per Hog	(Kgs)	1.13
Cost Creep/Hog	($)	0.65
Starter per Hog	(Kgs)	40.15
Cost Starter/Hog	($)	13.29
Grower per Hog	(Kgs)	233.76
Cost Grower/Hog	($)	60.48
Sow-Boar Feed per Hog	(Kgs)	69.55
Cost Sow-Boar Feed/Hog	($)	17.90
Total Feed per Hog	(Kgs)	344.60
Total Cost Feed/Hog	($)	92.32
Ave. L.W. Hog Produced	(Kgs)	96.17
Feed Conversion - Starter & Grower		2.85
Feed Cost/Kg. L.W. Hog	($)	0.96
Feed Cost/100 Lbs. L.W. Hog Produced	($)	43.64
Feed Cost/100 Lbs. D.W. Hog Produced	($)	55.94
Creep Cost/Tonne	($)	569.40
Starter Cost/Tonne	($)	330.96
Grower Cost/Tonne	($)	258.74
Sow Ration Cost/Tonne	($)	257.43
Feed per Sow and Boar	(Kgs)	988

Section C

100-199 SOWS

RECEIPTS

In this size group, receipts from the sale of hogs averaged 89.4 percent of Total Farm Receipts. Of this amount, market hog sales accounted for 88.6 percent, cull sows and boars 2.5 percent, breeding stock sales 4.3 percent, weanling sales 4.3 percent and other hogs 0.3 percent.

Total Farm Receipts amounted to $305,432. on a per farm basis or $2,236. on a per sow basis.

TABLE C-1: RECEIPTS

ITEM	PER FARM	PER SOW
Market Hogs	$242,105.	$ 1,773.
Weanlings	11,710.	86.
Gilts - Breeding Stock	8,424.	62.
Boars - Breeding Stock	3,445.	25.
Cull Sows	6,501.	48.
Cull Boars	290.	2.
Other Hogs	703.	4.
TOTAL HOG SALES	$273,178.	$ 2,000.
Stabilization	$ 9,672.	$ 71.
Subsidies	2,996.	22.
Other Income	19,586.	143.
TOTAL FARM RECEIPTS	$305,432.	$ 2,236.

EXPENSES

Purchased feed was the largest item of cost and accounted for 71.4 percent of Cash Expenses. In dollar terms, feed amounted to $1,419. on a per sow basis.

Feed was followed by hired labor at 6.1 percent, other non-hog expenses at 5.6 percent, interest on operating at 3.4 percent, and utilities at 2.8 percent of Cash Expenses.

TABLE C-2: EXPENSES

ITEM	PER FARM	PER SOW
Feed Purchased	$193,737.	$ 1,419.
Swine Purchased	3,911.	29.
Hired Labor	16,557.	121.
Bedding	280.	2.
Vet & Drugs	1,859.	14.
Hog Supplies	1,638.	12.
Marketing Costs	3,269.	24.
Utilities	7,652.	56.
Taxes	1,338.	10.
Insurance	3,568.	26.
Building Repairs	4,025.	29.
Machinery & Equipment Expense	6,058.	44.
Auto Expenses	2,180.	16.
Interest - Operating	9,108.	67.
Miscellaneous	692.	5.
Other Non-Hog Expenses	15,315.	112.
TOTAL CASH EXPENSES	$271,187.	$ 1,986.

INCOME SUMMARY

Income is one of the key factors studied when analysing a farm business. In this table, two (2) measures of income are summarized.

NET CASH INCOME refers to the difference between Farm Receipts and Cash Expenses. In this size group, this income measure averaged $34,245. per farm or $250. on a per sow basis.

NET FARM INCOME is the difference between Farm Receipts and Cash Expenses with adjustments made for inventory increase, depreciation and interest on long term borrowings. For the farms included in this group, Net Farm Income was $-(6,183.) per farm or $-(45.) on a per sow basis.

TABLE C-3: INCOME SUMMARY

ITEM	PER FARM	PER SOW
Total Farm Receipts	$305,432.	$ 2,236.
Total Cash Expenses	271,187.	1,986.
NET CASH INCOME	$ 34,245.	$ 250.
Plus: Inventory Change	$-(4,701.)	$ -(34.)
Less: Depreciation	22,201.	163.
Interest on Capital Loans	13,526.	98.
NET FARM INCOME	$-(6,183.)	$ -(45.)

AVERAGE COST OF PORK PRODUCTION

The average cost of producing pork for the 100-199 sow group was $0.66 per pound live weight or $0.84 per pound dressed weight.

Note that this cost figure does not include a value for operator labor or interest on equity. Instead it is a measure of the cost at the Net Farm Income level. No amount has been added for what is traditionally called "Opportunity Costs".

TABLE C-4: AVERAGE COST OF PORK PRODUCTION

ITEM		PER FARM	PER SOW
Total Farm Expenses		$306,915.	$ 2,247.
Plus: Inventory Adjustment		4,701.	34.
Less: Cull Sales		6,791.	50.
Other Income		19,587.	142.
TOTAL COSTS		$285,238.	$ 2,089.
Total Pounds of Pork Produced (L.W.)	(lbs)	433,464	3,174
Ave. Cost of Production (L.W.)	($)	0.66	0.66
Ave. Cost of Production (D.W.)	($)	0.84	0.84

COST ANALYSIS

Feed purchased was the largest single item associated with producing pork. This item averaged 63.1 percent of Total Costs in this group. Feed purchased was followed by depreciation at 7.2 percent, hired labor at 5.4 percent, other non-hog expenses at 5.0 percent and interest on capital loans at 4.4 percent.

TABLE C-5: COST ANALYSIS

ITEM	PERCENT OF TOTAL
Feed Purchased	63.1
Swine Purchased	1.3
Hired Labor	5.4
Bedding	0.1
Vet & Drugs	0.6
Hog Supplies	0.5
Marketing Costs	1.1
Utilities	2.5
Taxes	0.4
Insurance	1.2
Building Repairs	1.3
Machinery & Equipment Expense	2.0
Auto Expenses	0.7
Interest - Operating	3.0
Miscellaneous	0.2
Other Non-Hog Expenses	5.0
Interest - Loans	4.4
Depreciation	7.2
TOTAL	100.0

PRODUCTION ANALYSIS

For this size group, the average number of sows per farm was 137, each averaging 2.14 litters of pigs per year.

There was an average of 21.84 pigs born per sow, with 17.91 of these being weaned. Suckling mortality averaged 17.3 percent.

Sales of market hogs accounted for 84.8 percent of hog sales. Feeder hog mortality averaged 4.26 percent for these farms.

TABLE C-6: PRODUCTION ANALYSIS

ITEM	PER FARM	PER SOW
Number of Sows	137	1.00
Number of Boars	9	0.06
Number of Litters	292	2.14
Pigs Born	2,983	21.84
Pigs Born Alive	2,799	20.50
Pigs Weaned	2,446	17.91
Pigs Born per Litter	10.22	-0-
Pigs Born Alive per Litter	9.59	-0-
Pigs Weaned per Litter	8.38	-0-
Suckling Mortality (#)	516	3.78
Suckling Mortality (%)	17.30	-0-
Weanlings Sold	248	1.82
Breeding Stock Sold	50	0.37
Gilts Kept for Replacement	45	0.33
Market Hogs Sold	1,935	14.17
Other Hogs Sold	3	0.02
Inventory Change	-41	-0.30
Purchases	39	0.29
Total Market Hog Equivalents Produced	1,996	14.62
Total Hogs Sold	2,281	16.71
Feeder Hog Mortality (#)	106	0.78
Feeder Hog Mortality (%)	4.26	-0-
Inventory Adjustment (±)	139	1.02

PRODUCTION ANALYSIS

Further analysis of the production coefficients indicated that market hogs were sold at an average dressed weight of 169 pounds.

Sow culling rates averaged 31.33 percent in this group and for each man equivalent of labor available, 42 sows were maintained.

TABLE C-7: PRODUCTION ANALYSIS

ITEM		PER FARM
Ave. Weight per Market Hog (D.W.)	(lbs)	169
Ave. Return per Market Hog	($)	125.15
Sow Mortality	(%)	4.97
Cull Rate on Sows	(%)	31.33
Labor Man Equivalents	(#)	3.28
Sows Kept per Man	(#)	42
Total Sales per Man	($)	91,786
Live Hog Produced per Man	(Kgs)	60,135

FEED ANALYSIS

For the farms in this group, feed consumption per hog averaged 2.70 kilograms of creep (pre-starter), 40.19 kilograms of starter, 242.47 kilograms of grower and 73.23 kilograms of sow-boar feed, for a total consumption of 358.59 kilograms of feed. This gives a feed conversion of 2.86 pounds of feed for each pound of gain.

Total cost of feed per hog was $96.34, and the feed per sow and boar was 1,009 kilograms.

TABLE C-8: FEED ANALYSIS

ITEM		PER FARM
Creep per Hog	(Kgs)	2.70
Cost Creep/Hog	($)	1.57
Starter per Hog	(Kgs)	40.19
Cost Starter/Hog	($)	13.73
Grower per Hog	(Kgs)	242.47
Cost Grower/Hog	($)	62.26
Sow-Boar Feed per Hog	(Kgs)	73.23
Cost Sow-Boar Feed/Hog	($)	18.78
Total Feed per Hog	(Kgs)	358.59
Total Cost Feed/Hog	($)	96.34
Ave. L.W. Hog Produced	(Kgs)	98.68
Feed Conversion - Starter & Grower		2.86
Feed Cost/Kg. L.W. Hog	($)	0.98
Feed Cost/100 Lbs. L.W. Hog Produced	($)	44.38
Feed Cost/100 Lbs. D.W. Hog Produced	($)	56.89
Creep Cost/Tonne	($)	582.46
Starter Cost/Tonne	($)	341.57
Grower Cost/Tonne	($)	256.76
Sow Ration Cost/Tonne	($)	256.52
Feed per Sow & Boar	(Kgs)	1,009

Section D

200 + SOWS

RECEIPTS

In this size group, receipts from the sale of hogs averaged 94.3 percent of Total Farm Receipts. Of this amount, market hog sales accounted for 84.7 percent, cull sows and boars 3.2 percent, breeding stock sales 4.1 percent, and weanling sales 8.0 percent.

Total Farm Receipts amounted to $513,085. on a per farm basis or $1,983. on a per sow basis.

TABLE D-1: RECEIPTS

ITEM	PER FARM	PER SOW
Market HOgs	$409,989.	$ 1,585.
Weanlings	38,562.	149.
Gilts - Breeding Stock	19,038.	74.
Boars - Breeding Stock	632.	2.
Cull Sows	14,161.	55.
Cull Boars	1,266.	5.
Other Hogs	126.	-0-
TOTAL HOG SALES	$483,774.	$ 1,870.
Stabilization	$ 14,549.	$ 56.
Subsidies	3,352.	13.
Other Income	11,410.	44.
TOTAL FARM RECEIPTS	$513,085.	$ 1,983.

EXPENSES

Purchased feed was the largest item of cost and accounted for 69.3 percent of Cash Expenses. In dollar terms, feed amounted to $1,283. on a per sow basis.

Feed was followed by hired labor at 13.0 percent, utilities at 3.8 percent, building repairs at 2.8 percent, and interest on operating loans at 1.9 percent of Cash Expenses.

TABLE D-2: EXPENSES

ITEM	PER FARM	PER SOW
Feed Purchased	$331,947.	$ 1,283.
Swine Purchased	5,541.	21.
Hired Labor	62,274.	241.
Bedding	1,227.	5.
Vet & Drugs	5,348.	21.
Hog Supplies	1,220.	5.
Marketing Costs	5,994.	23.
Utilities	18,392.	71.
Taxes	2,264.	9.
Insurance	4,104.	16.
Building Repairs	13,291.	51.
Machinery & Equipment Expense	8,498.	33.
Auto Expenses	1,458.	6.
Interest - Operating	9,328.	36.
Miscellaneous	4,644.	18.
Other Non-Hog Expenses	3,300.	12.
TOTAL CASH EXPENSES	$478,830.	$ 1,851.

INCOME SUMMARY

Income is one of the key factors studied when analysing a farm business. In this table, two (2) measures of income are summarized.

NET CASH INCOME refers to the difference between Farm Receipts and Cash Expenses. In this size group, this income measure averaged $34,255. per farm or $132. on a per sow basis.

NET FARM INCOME is the difference between Farm Receipts and Cash Expenses with adjustments made for inventory increase, depreciation and interest on long term borrowings. For the farms included in this group, Net Farm Income was $6,792. per farm or $26. on a per sow basis.

TABLE D-3: INCOME SUMMARY

ITEM	PER FARM	PER SOW
Total Farm Receipts	$513,085.	$ 1,983.
Total Cash Expenses	478,830.	1,851.
NET CASH INCOME	$ 34,255.	$ 132.
Plus: Inventory Change	$ 17,418.	$ 67.
Less: Depreciation	27,351.	106.
Interest or Capital Loans	17,530.	67.
NET FARM INCOME	$ 6,792.	$ 26.

AVERAGE COST OF PORK PRODUCTION

The average cost of producing pork for the 200 plus cow group was $0.64 per pound live weight or $0.81 per pound dressed weight.

Note that this cost figure does not include a value for operator labor or interest on equity. Instead it is a measure of the cost at the Net Farm Income level. No amount has been added for what is traditionally called "Opportunity Costs".

TABLE D-4: AVERAGE COST OF PORK PRODUCTION

ITEM		PER FARM	PER SOW
Total Farm Expenses		$523,711.	$ 2,024.
Plus: Inventory Adjustment		-(17,418.)	-(67.)
Less: Cull Sales		15,427.	60.
Other Income		11,410.	44.
TOTAL COSTS		$479,456.	$ 1,853.
Total Pounds of Pork Produced (L.W.)	(lbs)	754,376	2,916
Ave. Cost of Production (L.W.)	($)	0.64	0.64
Ave. Cost of Production (D.W.)	($)	0.81	0.81

COST ANALYSIS

Feed purchased was the largest single item associated with producing pork. This item averaged 63.4 percent of Total Costs in this group. Feed purchased was followed by hired labor at 11.9 percent, depreciation at 5.2 percent, utilities at 3.5 percent and interest on capital loans at 3.3 percent.

TABLE D-5: COST ANALYSIS

ITEM	PERCENT OF TOTAL
Feed Purchased	63.4
Swine Purchased	1.1
Hired Labor	11.9
Bedding	0.2
Vet & Drugs	1.0
Hog Supplies	0.2
Marketing Costs	1.2
Utilities	3.5
Taxes	0.5
Insurance	0.8
Building Repairs	2.5
Machinery & Equipment Expense	1.6
Auto Expenses	0.3
Interest - Operating	1.8
Miscellaneous	0.9
Other Non-Hog Expenses	0.6
Interest - Loans	3.3
Depreciation	5.2
TOTAL	100.0

PRODUCTION ANALYSIS

For this size group, the average number of sows per farm was 259, each averaging 2.12 litters of pigs per year.

There was an average of 22.34 pigs born per sow, with 18.27 of these being weaned. Suckling mortality averaged 17.18 percent.

Sales of market hogs accounted for 74.9 percent of hog sales. Feeder hog mortality averaged 4.19 percent for these farms.

TABLE D-6: PRODUCTION ANALYSIS

ITEM	PER FARM	PER SOW
Number of Sows	259	1.00
Number of Boars	13	0.05
Number of Litters	547	2.12
Pigs Born	5,779	22.34
Pigs Born Alive	5,404	20.89
Pigs Weaned	4,726	18.27
Pigs Born per Litter	10.56	-0-
Pigs Born Alive per Litter	9.87	-0-
Pigs Weaned per Litter	8.63	-0-
Suckling Mortality (#)	993	3.84
Suckling Mortality (%)	17.18	-0-
Weanlings Sold	916	3.54
Breeding Stock Sold	85	0.33
Gilts Kept for Replacement	100	0.39
Market Hogs Sold	3,280	12.68
Other Hogs Sold	1	-0-
Inventory Change (±)	86	0.33
Purchases	-0-	-0-
Total Market Hog Equivalents Produced	3,509	13.56
Total Hogs Sold	4,382	16.94
Feeder Hog Mortality (#)	195	0.75
Feeder Hog Mortality (%)	4.19	-0-
Inventory Adjustment (±)	64	0.25

PRODUCTION ANALYSIS

Further analysis of the production coefficients indicated that market hogs were sold at an average dressed weight of 168 pounds.

Sow culling rates averaged 35.9 percent in this group, and for each man equivalent of labor available, 50 sows were maintained.

TABLE D-7: PRODUCTION ANALYSIS

ITEM		PER FARM
Ave. Weight per Market Hog (D.W.)	(lbs)	168
Ave. Return per Market Hog	($)	125.01
Sow Mortality	(%)	5.41
Cull Rate on Sows	(%)	35.90
Labor Man Equivalents	(#)	5.14
Sows Kept per Man	(#)	50
Total Sales per Man	($)	103,261
Live Hog Produced per Man	(Kgs)	66,744

FEED ANALYSIS

For the farms in this group, feed consumption per hog averaged 2.90 kilograms of creep (pre-starter), 46.61 kilograms of starter, 239.53 kilograms of grower, and 73.87 kilograms of sow-boar feed for a total consumption of 362.91 kilograms of feed. This gives a feed conversion of 2.93 pounds of feed for each pound of gain.

Total cost of feed per hog was $92.32, and the feed per sow and boar was 953 kilograms.

TABLE D-8: FEED ANALYSIS

ITEM		PER FARM
Creep per Hog	(Kgs)	2.90
Cost Creep/Hog	($)	1.29
Starter per Hog	(Kgs)	46.61
Cost Starter/Hog	($)	14.29
Grower per Hog	(Kgs)	239.53
Cost Grower/Hog	($)	55.91
Sow-Boar Feed per Hog	(Kgs)	73.87
Cost Sow-Boar Feed/Hog	($)	20.82
Total Feed per Hog	(Kgs)	362.91
Total Cost Feed/Hog	($)	92.32
Ave. L.W. Hog Produced	(Kgs)	97.72
Feed Conversion - Starter & Grower		2.93
Feed Cost/Kg. L.W. Hog	($)	0.94
Feed Cost/100 Lbs. L.W. Hog Produced	($)	42.94
Feed Cost/100 Lbs. D.W. Hog Produced	($)	55.05
Creep Cost/Tonne	($)	444.57
Starter Cost/Tonne	($)	306.55
Grower Cost/Tonne	($)	233.43
Sow Ration Cost/Tonne	($)	281.87
Feed per Sow & Boar	(Kgs)	953

Section E

ALL FARMS

RECEIPTS

In this size group, receipts from the sale of hogs averaged 91 percent of Total Farm Receipts. Of this amount, market hog sales accounted for 88.1 percent, cull sows and boars 3.0 percent, breeding stock sales 3.5 percent, weanling sales 5.0 percent and other hogs 0.4 percent.

Total Farm Receipts amounted to $275,222. on a per farm basis, or $2,107. on a per sow basis.

TABLE E-1: RECEIPTS

ITEM	PER FARM	PER SOW
Market Hogs	$220,592.	$ 1,688.
Weanlings	12,490.	96.
Gilts - Breeding Stock	7,489.	57.
Boars - Breeding Stock	1,348.	10.
Cull Sows	6,906.	53.
Cull Boars	516.	5.
Other Hogs	1,074.	8.
TOTAL HOG SALES	$250,415.	$ 1,917.
Stabilization	$ 8,694.	$ 67.
Subsidies	2,511.	19.
Other Income	13,602.	104.
TOTAL FARM RECEIPTS	$275,222.	$ 2,107.

EXPENSES

Purchased feed was the largest item of cost and accounted for 70.9 percent of Cash Expenses. In dollar terms, feed amounted to $1,355. on a per sow basis.

Feed was followed by hired labor at 8.1 percent, other non-hog expenses at 3.6 percent, utilities at 3.3 percent, and interest on operating loans at 3.0 percent of Cash Expenses.

TABLE E-2: EXPENSES

ITEM	PER FARM	PER SOW
Feed Purchased	$177,049.	$ 1,355.
Swine Purchased	3,431.	26.
Hired Labor	20,214.	155.
Bedding	518.	4.
Vet & Drugs	2,303.	18.
Hog Supplies	1,263.	10.
Marketing Costs	3,337.	26.
Utilities	8,332.	64.
Taxes	1,246.	10.
Insurance	2,572.	20.
Building Repairs	4,785.	37.
Machinery & Equipment Expense	5,128.	39.
Auto Expenses	1,334.	10.
Interest - Operating	7,373.	56.
Miscellaneous	1,841.	14.
Other Non-Hog Expenses	8,925.	67.
TOTAL CASH EXPENSES	$249,651.	$ 1,911.

INCOME SUMMARY

Income is one of the key factors studied when analysing a farm business. In this table, two (2) measures of income are summarized.

NET CASH INCOME refers to the difference between Farm Receipts and Cash Expenses. In this size group, this income measure averaged $25,571. per farm or $196. on a per sow basis.

NET FARM INCOME is the difference between Farm Receipts and Cash Expenses with adjustments made for inventory increase, depreciation and interest on long term borrowings. For the farms included in this group, Net Farm Income was $248. per farm or $2. on a per sow basis.

TABLE E-3: INCOME SUMMARY

ITEM	PER FARM	PER SOW
Total Farm Receipts	$275,222.	$ 2,107.
Total Cash Expenses	249,651.	1,911.
NET CASH INCOME	$ 25,571.	$ 196.
Plus: Inventory Change	$ 4,836.	$ 37.
Less: Depreciation	18,168.	139.
Interest on Capital Loans	11,991.	92.
NET FARM INCOME	$ 248.	$ 2.

AVERAGE COST OF PORK PRODUCTION

For the farms in this study, the average cost of producing pork was $0.63 per pound live weight or $0.81 per pound dressed weight.

Note that this cost figure does not include a value for operator labor or interest on equity. Instead it is a measure of the cost at the Net Farm Income level. No amount has been added for what is traditionally called "Opportunity Costs".

TABLE E-4: AVERAGE COST OF PORK PRODUCTION

ITEM		PER FARM	PER SOW
Total Farm Expenses		$279,809.	$ 2,142.
Plus: Inventory Adjustment		-(4,836.)	-(37.)
Less: Cull Sales		7,422.	57.
Other Income		13,601.	104.
TOTAL COSTS		$253,950.	$ 1,944.
Total Pounds of Pork Produced (L.W.)	(lbs)	401,059	3,070
Ave. Cost of Production (L.W.)	($)	0.63	0.63
Ave. Cost of Production (D.W.)	($)	0.81	0.81

COST ANALYSIS

Feed purchased was the largest single item associated with producing pork. This item averaged 63.3 percent of Total Costs for all farms. Feed purchased was followed by hired labor at 7.2 percent, depreciation at 6.5 percent, interest on capital loans at 4.3 percent, and other non-hog expenses at 3.2 percent.

TABLE E-5: COST ANALYSIS

ITEM	PERCENT OF TOTAL
Feed Purchased	63.3
Swine Purchased	1.2
Hired Labor	7.2
Bedding	0.2
Vet & Drugs	0.8
Hog Supplies	0.5
Marketing Costs	1.2
Utilities	3.0
Taxes	0.4
Insurance	0.9
Building Repairs	1.7
Machinery & Equipment Expense	1.8
Auto Expenses	0.5
Interest - Operating	2.6
Miscellaneous	0.7
Other Non-Hog Expenses	3.2
Interest - Loans	4.3
Depreciation	6.5
TOTAL	100.0

PRODUCTION ANALYSIS

For the farms in this study, the average number of sows per farm was 131, each averaging 2.10 litters of pigs per year.

There was an average of 21.91 pigs born per sow, with 17.93 of these being weaned. Suckling mortality averaged 17.47 percent.

Sales of market hogs accounted for 82.5 percent of hog sales. Feeder hog mortality averaged 4.29 percent for these farms.

TABLE E-6: PRODUCTION ANALYSIS

ITEM	PER FARM	PER SOW
Number of Sows	131	1.00
Number of Boars	7	0.06
Number of Litters	275	2.10
Pigs Born	2,863	21.91
Pigs Born Alive	2,679	20.51
Pigs Weaned	2,342	17.93
Pigs Born per Litter	10.41	-0-
Pigs Born Alive per Litter	9.75	-0-
Pigs Weaned per Litter	8.52	-0-
Suckling Mortality (#)	500	3.83
Suckling Mortality (%)	17.47	-0-
Weanlings Sold	284	2.17
Breeding Stock Sold	38	0.29
Gilts Kept for Replacement	48	0.37
Market Hogs Sold	1,777	13.60
Other Hogs Sold	7	0.05
Inventory Change (±)	33	0.26
Purchases	15	0.11
Total Market Hog Equivalents Produced	1,867	14.29
Total Hogs Sold	2,154	16.48
Feeder Hog Mortality (#)	99	0.76
Feeder Hog Mortality (%)	4.29	-0-
Inventory Adjustment (±)	70	0.54

PRODUCTION ANALYSIS

Further analysis of the production coefficients indicated that market hogs were sold at an average dressed weight of 168 pounds.

Sow culling rates averaged 34.05 percent in this group, and for each man equivalent of labor available, 43 sows were maintained.

TABLE E-7: PRODUCTION ANALYSIS

ITEM		PER FARM
Ave. Weight per Market Hog (D.W.)	(lbs)	168
Ave. Return per Market Hog	($)	124.13
Sow Mortality	(%)	5.15
Cull Rate on Sows	(%)	34.05
Labor Man Equivalents	(#)	3.02
Sows Kept per Man	(#)	43
Total Sales per Man	($)	92,779
Live Hog Produced per Man	(Kgs)	60,393

FEED ANALYSIS

For the farms in this study, feed consumption per hog averaged 2.39 kilograms of creep (pre-starter), 42.54 kilograms of starter, 239.07 kilograms of grower and 72.48 kilograms of sow-boar feed, for a total consumption of 356.48 kilograms of feed. This gives a feed conversion of 2.88 pounds of feed for each pound of gain.

Total cost of feed per hog was $93.80, and the feed per sow and boar was 982 kilograms.

TABLE E-8: FEED ANALYSIS

ITEM		PER FARM
Creep per Hog	(Kgs)	2.39
Cost Creep/Hog	($)	1.23
Starter per Hog	(Kgs)	42.54
Cost Starter/Hog	($)	13.82
Grower per Hog	(Kgs)	239.07
Cost Grower/Hog	($)	59.46
Sow-Boar Feed per Hog	(Kgs)	72.48
Cost Sow-Boar Feed/Hog	($)	19.29
Total Feed per Hog	(Kgs)	356.48
Total Cost Feed/Hog	($)	93.80
Ave. L.W. Hog Produced	(Kgs)	97.66
Feed Conversion - Starter & Grower		2.88
Feed Cost/Kg. L.W. Hog	($)	0.96
Feed Cost/100 Lbs. L.W. Hog Produced	($)	43.66
Feed Cost/100 Lbs. D.W. Hog Produced	($)	55.97
Creep Cost/Tonne	($)	514.85
Starter Cost/Tonne	($)	324.81
Grower Cost/Tonne	($)	248.71
Sow Ration Cost/Tonne	($)	266.20
Feed per Sow & Boar	(Kgs)	982

Section F

Summary

SUMMARY

The 1983 Nova Scotia Swine Farm Business Summary provides basic information and statistics on the costs and returns associated with the swine enterprise on Nova Scotia farms. While not based on a statistically sound random sample of swine farms, the summary can be used with care to assist in the analysis of the swine enterprise by providing group average data for comparison purposes.

In reviewing the information contained in previous pages, the following points can be noted:

- Average farm size measured in terms of sow numbers was 131 sows.
- Average litters per sow per year was 2.10.
- Average pigs weaned per sow per year was 17.93.
- Average sales of hogs per sow per year was 16.48.
- Average market hog dressed weight was 168 pounds.
- Average feed consumption (starter and grower) per market hog was 281.61 kilograms, for a feed conversion of 2.88.

In compiling the data for this summary, extreme variation among farms was noted. This variation was observed in most factors of returns, costs and management factors. Below, we outline a number of the variations observed.

- Net Farm Income had a range of $721. per sow between the highest and lowest net incomes on a per sow basis.
- Total feed cost per sow had a range of $962.00.
- Feed cost as a percent of total costs varied between 40 percent and 76.7 percent.
- Kilograms of feed fed per hog raised varied as much as 173 kilograms.

- Pigs weaned per sow varied as much as 8.30 pigs per year.
- Sows kept per man equivalent had a range of 59 sows between the highest and lowest numbers of sows per man.

With such wide variation in many of the returns, costs and management factors, it is difficult to isolate specific characteristics that result in a profitable swine unit. It would appear, however, that a number of the key factors of production outlined above such as production, cost control, efficient use of capital and labor, are of significant importance in determining the success of the farm unit.

Those farm operators who successfully combined these factors of production in the management and operation of their farm units achieved a reasonable return to their labor, capital and management skills.